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Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 EB-08 OMB-01 TRSE-00 CIAE-00
DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05
PA-01 PRS-01 SP-02 SS-15 USIA-06 /070 W
----------111615Z 025014 /40
R 111537Z APR 77
FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 2619
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
USINT BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L DAMASCUS 2309

E.O. 11652: GDS
TAGS: ECON, EAID, EFIN, SY, SA
SUBJECT: MINECON IMADI DISCUSSES SAUDI AID

1. IN DISCUSSION APRIL 6 WITH AMBASSADOR, MINECON AND FOREIGN TRADE IMADI, WHO RECENTLY RETURNED FROM MEETING OF ARAB FINANCE AND ECONOMIC MINISTERS IN MECCA, EXPRESSED KEEN DISAPPOINTMENT IN THE LEVEL OF AID SYRIA IS RECEIVING FROM OIL-PRODUCING ARAB STATES. HE SAID HE HAD TALKED WITH SAUDI FOREIGN MINSTER AND FINANCE MINISTER AT THE MECCA MEETING, BUT FAILED TO RESOLVE THEIR DIFFERING INTERPRETATIONS OF THE RABAT OBLIGATIONS. THE SYRIANS CONTINUE TO INSIST THE 1974 RABAT CONFERENCE COMMITTED SAUDI ARABIA TO ANNUAL PAYMENTS OF APPROXIMATELY $180 MILLION TO SYRIA; THE SAUDIS ARGUED THAT HAVING GIVEN THAT AMOUNT OF AID TO SYRIA IN 1975, THEY HAVE FULFILLED THEIR ORIGINAL RABAT OBLIGATION, WHICH THEY CONSTRUED AS A ONE-TIME PLEDGE.

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2. ACCORDING TO IMADI, THE SYRIANS RECEIVED ABOUT $200 MILLION IN AID FROM SAUDI ARABIA IN 1976. THE SAUDIS ARE NOW SAYING THAT THESE FUNDS ACCORDED TO SYRIA IN 1976 AMOUNTED TO AN ADVANCE PAYMENT PENDING A PAN-ARAB DECISION ON AID TO THE CONFRONTATION STATES. THUS THEY HAVE ALREADY PAID THEIR 1977 OBLIGATION. IMADI URGUED AT MECCA THAT THE $200 MILLION 1976

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PAYMENT WAS A SPECIAL GRANT TO HELP HEAL THE BREACH
BETWEEN SYRIA AND EGYPT AND THAT THE SAUDIS IN EFFECT
HAVE PAID NOTHING TOWARD THEIR 1977 RABAT OGLIBATIONS.
DAMASCUS IS CLEARLY AT A DISADVANTAGE IN THIS HAGGLING,
IMADI COMMENTED AND CONCLUDED, "IT IS TERRIBLE TO
BE A BEGGAR".

3. COMMENT: IT SHOULD BE NOTED THAT THESE PAYMENTS
DO NOT INCLUDE LOANS AND GRANTS TO SYRIA BY THE SAUDI
ARAB INVESTMENT CO. AND THE SAUDI FUND FOR DEVELOPMENT
WHICH ARE TIED TO ECONOMIC DEVELOPMENT PROJECTS SUCH AS
ROAD AND PORT CONSTRUCTION, TOURIST FACILITIES, AND
HOSPITALS. FIGURE IMADI CITED OF DOLS 180 MILLION IS
SLIGHTLY HIGER THAN DOLS 170 MILLION GENERALLY CITED
AS SAUDI PORTION OF RBAT PAYMENTS TO SYRIA.

4. SAUDI ATTITUDE IS MAJOR DISAPPOINTMENT TO SYRIANS
WHO HAD BEEN EXPECTING ADDITIONAL SAUDI "CONFRONTATION"
PAYMENT IN 1977. SAUDI "RE-INTERPRETATION" OF 1976
GRANT AS AN ADVANCE PAYMENT OF 1977 RABAT OBLIGATIONS
IS BOUND TO BE READ BY SYRIANS AS POLITICAL MESSAGE,,
BUT ONE WHICH SO FAR AS WE ARE AWARE, THEY HAVE NOT
YET DECIPHERED. MUST CONFESS WE ALSO SOMEWHAT
SURPRISED BY THIS REPORTED SAUDI POSITION.
PELLETREAU

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 11-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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